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February 14, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY

Magalie Roman Salas
Commission Secretary
Federal Communications Commission
Portals II
445 Twelfth Street, S.W., Suite TW-A325
Washington, D.C. 20554

Re: CC Docket No. 99-200; Comments of Allegiance Telecom, Inc.

Dear Secretary Salas:

On behalf of Allegiance Telecom, Inc. ("Allegiance"), enclosed please find an original and four (4) copies of Allegiance's comments in the above-referenced docket. Please date-stamp and return the enclosed extra copy. Concurrent with this filing, Allegiance is submitting a copy on diskette to the Common Carrier Bureau's Network Services Division.

Should you have any questions with respect to this matter, please do not hesitate to call Jeanne W. Stockman at (202) 295-8392.

Respectfully submitted,

Jeanne W. Stockman

Jeanne W. Stockman

Enclosure

cc: Carmel Weathers (electronic copy)
ITS

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Numbering Resource Optimization	)	CC Docket No. 99-200
	)	
Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717	)	CC Docket No. 96-98

COMMENTS OF ALLEGIANCE TELECOM, INC.

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Counsel for Allegiance Telecom, Inc.

Dated: February 14, 2001

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EXECUTIVE SUMMARY

Allegiance Telecom, Inc. ("Allegiance") urges the Federal Communications Commission ("Commission") to abandon its proposal to establish a fee-based system for allocating numbering resources. The Commission's need-based scheme accomplishes many of the same results without discriminating against smaller carriers and jeopardizing the continued development of competition.

Significantly, as a threshold matter, the Commission lacks the statutory authority from Congress needed to impose a fee-based allocation scheme. In addition, charging for numbering resources is ill-advised from a policy perspective because the costs greatly outweigh the benefits. Any fee-based allocation system must be equitable and non-discriminatory. Charging for numbers inherently and impermissibly favors larger, well-capitalized firms to the detriment of smaller entities. The Commission has been unsuccessful in its prior attempts to reconcile the policies of selling resources to the highest bidder, while still finding room for small companies. Given these inequities, Allegiance submits that a fee-based system will unlawfully prejudice smaller carriers.

Further, the Commission has failed to adequately explain how prices in a fee-based allocation system would be determined. Allegiance observes that there are several administrative and/or regulatory decisions that will have the potential to influence the supply and demand of numbering resources, thereby affecting price. While some degree of regulation would be necessary to achieve a competitively-neutral market-based allocation system, such regulation would also impede the natural behavior of the market and potentially lead to unforeseen and undesirable results. Recent examples such as the

California energy crisis demonstrate the dangers of mixing regulatory and market-based systems.

Creating a secondary market for numbering resources is plagued by many of the same infirmities as the proposal to create a primary market. As recognized by the Commission, there would be an incentive for carriers to hoard numbering resources if they could profit by doing so through the secondary market. Moreover, the level of bureaucracy needed to administer a secondary market on the rate center level would be enormous and outweigh any purported efficiencies.

The Commission should maintain its need-based allocation scheme and pursue efforts such as rate center consolidation ("RCC") which address current inefficiencies in obtaining numbering resources without the potential harms inherent in a market-based approach. While there are numerous benefits associated with RCC, Allegiance recognizes that RCC must be carefully implemented in order to avoid creating customer confusion or difficulties for carriers.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
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Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717	)	CC Docket No. 96-98

COMMENTS OF ALLEGIANCE TELECOM, INC.

Allegiance Telecom, Inc. ("Allegiance"), by undersigned counsel, hereby files it Comments regarding the Commission's Second Further Notice of Proposed Rulemaking ("*Second FNPRM*") in the above-referenced proceeding.[1] Allegiance vehemently opposes the Commission's continued efforts to remedy number exhaust by allocating numbering resources pursuant to a market-based approach. First, the Commission presently lacks the statutory authority to charge for numbers. Secondly, from a policy perspective, charging for numbering resources raises serious competitive issues while allowing current inefficiencies to continue unchecked. Rather than pursuing a market-based approach, the Commission should focus on remedying the root causes of number

[1] *Numbering Resource Optimization, Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717*, CC Docket Nos. 99-200, 96-98, Second Report and Order, Order on Reconsideration in CC Docket No. 96-98 and CC Docket No. 99-200, and Second Further Notice of Proposed Rulemaking in CC Docket No. 99-200 ("*Second FNPRM*").

exhaust through methods such as rate center consolidation ("RCC") to best prolong the life of the NANP.

I. THE COMMISSION LACKS THE STATUTORY AUTHORITY NECESSARY TO CHARGE FOR NUMBERING RESOURCES.

The Commission presently lacks the requisite statutory authority to impose charges or fees for numbering resources. While Congress granted the Commission plenary authority to administer telecommunications numbering in Section 251(e)(1) of the Communications Act of 1934, as amended ("Act"), Section 251(e)(2) of the Act limits that authority. Section 251(e)(2) provides that "[t]he *cost* of establishing telecommunications numbering administration arrangements and number portability shall be borne by all telecommunications carriers on a competitively neutral basis as determined by the Commission."[2] Carriers already pay to cover the costs of number administration and number portability, area code relief and number pooling. Charging for numbering resources cannot be construed as a "cost" of numbering administration. Any fee for numbers would be above and beyond these costs, clearly outside the scope of the statute.

Where the Commission has auction authority, such authority was specifically granted by Congress. For example, although the Commission has plenary authority over spectrum management, it was not until Congress enacted Section 309(j) of the Act that the Commission was authorized to conduct spectrum auctions.[3] The authority to auction numbering resources cannot be inferred from Section 251(e). Until such authority is

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[2] 47 U.S.C. § 251(e)(2) (emphasis added).

[3] 47 U.S.C. § 309(j).

specifically granted by Congress, auctions of numbers cannot lawfully proceed under Section 251(e).

The *Second FNPRM* inquires whether other statutes that allow the Commission to collect fees would authorize numbering auctions. Section 9 of the Act, which enables the Commission's recovery of regulatory fees, is worded too narrowly to authorize charging for numbering resources. Section 9 provides for the collection of fees to recover the costs of enforcement activities, policy and rulemaking activities, user information services, and international activities;[4] collection of fees for numbering resources is, again, outside the scope of the statute.

The same holds true for Section 254, which authorizes collection of contributions "on an equitable and nondiscriminatory basis, to the specific, predictable, and sufficient mechanisms established by the Commission to preserve and advance universal service."[5] In implementing Section 254, the Commission concluded that it would fund universal service through carrier contributions based on interstate revenues.[6] At this juncture and through this proceeding, the Commission cannot exercise its Section 254 authority to establish a contribution scheme for numbering resources. It would be extremely difficult to demonstrate that charging for numbering resources would be "equitable and nondiscriminatory," as required by Section 254. In fact, as discussed in Section II, there

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[4] 47 U.S.C. § 9.

[5] 47 U.S.C. § 254(d). Universal service is defined as an "evolving level of telecommunications services that the Commission shall establish periodically under this section, taking into account advances in telecommunications and information technologies." 47 U.S.C. § 254(c)(1).

[6] *See, e.g.*, *In the Matter of Federal-State Joint Board on Universal Service*, 12 FCC Rcd 8776, 9189 (1997).

is substantial risk that any such pricing scheme would discriminate against smaller carriers. In addition, the numbering fees proposed by the Commission are not for the purpose of advancing universal service -- they are a tax designed to encourage carriers to use numbers more efficiently. As was the case with Section 9, charging for numbering resources is outside the scope of Section 254 as well, and Section 254 cannot be construed to authorize imposing fees for numbering resources.

Absent an express grant from Congress, the Commission lacks authority to impose a market-based system for allocating numbering resources. Even if the Commission had such authority, from a policy perspective the Commission should refrain from adopting such a scheme because the potential harms greatly outweigh the benefits that may be achieved. Rather than pursuing a fee-based strategy, the Commission should focus on remedying the root causes of number exhaust by using its scarce resources to implement measures such as RCC.

II. THE COMMISSION SHOULD ABANDON ITS PROPOSED MARKET-BASED ALLOCATION SCHEME IN FAVOR OF CONSERVATION METHODS THAT REMEDY THE ROOT CAUSES OF NUMBER EXHAUST.

The Commission seemingly views charging for numbering resources as a panacea for the current numbering crisis. Notwithstanding the numerous safeguards the Commission has adopted in this proceeding to ensure that scarce numbering resources are allocated and used efficiently, and commenters' overwhelming opposition to a market-based allocation scheme, the Commission persists in exploring this controversial alternative whose potential for harm far outweighs its potential benefits.

A. The Commission Has Failed to Address How Charging for Numbering Resources Will Remedy the Current Numbering Shortage.

Before delving into the numerous flaws and potential harms associated with a fee-based system, it is important to note that the Commission has failed to explain how this extraordinary step would help remedy the current numbering shortage. The Commission merely surmises that a market-based allocation system, either in conjunction with or as a substitute for some or all of the existing allocation rules, *may* best ensure that numbers will be allocated efficiently.[7] There has been no evidence presented which either quantifies or confirms that any tangible benefit will result from adopting a fee-based scheme. Moreover, the fact remains that charging for numbering resources fails to remedy the root causes for number exhaust. Until these inefficiencies are addressed and resolved, it is extremely unlikely that significant conservation of numbering resources will be achieved by alternate means. Before proceeding further, Allegiance urges the Commission to examine this proposal from a cost-benefit perspective to determine whether it could possibly be justified notwithstanding the adverse impact it may have on new market entrants and developing competition.[8]

B. Auctioning Numbers Would Be Anti-Competitive

The Commission's "impetus for establishing a market-based numbering resource allocation system [is its] belief that the lack of efficiency in carrier utilization of numbers may be in part due to the failure of existing allocation rules to recognize the economic

[7] *Second FNPRM* ¶ 157 (emphasis added).

[8] *See, e.g.*, Joint Comments of Midvale Telephone Exchange, Inc., Northeast Louisiana telephone Company, Inc., Interstate Telecommunications Cooperative, Inc. and Radio Paging Service, CC Docket No. 99-200, filed May 19, 2000, at p. 5. ("Joint Comments").

value of numbers."[9] Thus, the Commission views charging for numbers as a means to foster more efficient use of this dwindling resource. While a fee-based system would succeed in allocating numbers to the highest bidder, it is also runs significant risk of skewing the competitive playing field to the detriment of new entrants.

The Commission recognizes that any fee-based allocation system must be equitable and non-discriminatory.[10] As other commenters have noted throughout this proceeding, a fee-based allocation system inherently and impermissibly favors well-capitalized, established companies as compared to smaller, less-capitalized competitors. With respect to vanity toll numbers, the Commission has recently acknowledged the anti-competitive effect of fee-based allocation systems.[11] In other auction contexts the Commission has adopted bidding credits and other measures to benefit smaller entities and place them on more equivalent footing with their larger competitors in an effort to balance the inherent inequities.[12] These efforts, however, have been unsuccessful in bridging the gap between established carriers and new entrants.[13] Given the nascent state

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9 *Second FNPRM* ¶ 161.

10 *Second NPRM* ¶ 157.

11 "A fee-based right of first refusal could unfairly prejudice small businesses, unable to compete against the greater resources of large businesses." *In the Matter of Toll Free Access Codes*, 13 FCC Rcd 9058, 9059 (1998).

12 47 C.F.R. § 1.2110(e).

13 *See, e.g.*, Stephen Labaton & Simon Romero, *Wireless Giants Won F.C.C. Auction Unfairly, Critics Say*, N.Y. TIMES, Feb. 12, 2001, at A1. In its recent auction of C/F block PCS spectrum, the FCC unsuccessfully attempted to facilitate small business participation through a complex scheme of bidding credits and allowable partnerships with larger, better funded entities. "By the end of the auction ..., some FCC officials were privately lamenting how the agency had struggled to reconcile the seemingly divergent public policies of selling licenses to the highest bidder while also finding room for small companies. The result, some acknowledged, had been the worst of both worlds,

of wireline competition, the Commission would need to explore ways to successfully level the playing field without jeopardizing its continued development.

In addition, another form of anti-competitive behavior inherent in a fee-based allocation system is the potential that entities will hoard numbering resources, purchasing more than they need in order to restrict competitors' or potential competitors' entry to the market. Without numbers, competitors are absolutely barred from entering the market or expanding their customer base. While the Commission's fee-based proposal is premised on the economic value of numbering resources, the Commission must also recognize that there is an economic value for dominant carriers in keeping additional competitors out of the market which would be inextricably intertwined with any market-based price. The carriers with the largest market share have the most to lose through increased competition. These carriers also have the deepest pockets. A fee-based system unavoidably plays into the hands of the well-funded carriers and enables them to hoard a necessary resource, squeezing out smaller competitors.

Number allocation must remain competitively-neutral in order to realize the public interest benefits associated with a fully competitive telecommunications marketplace. In pure form, a fee-based allocation system cannot be competitively neutral because of the disparity in resources between new market entrants and incumbent carriers, and its implementation threatens the development of a competitive telecommunications marketplace.

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an outcome in which the nation's largest telephone companies would receive hundreds of millions of dollars in subsidies." Said a senior FCC official speaking on the condition of anonymity, "[t]his certainly does make us look like a bunch of idiots." *Id.*

C. The Commission Has Failed to Adequately Explain How Prices for Numbering Resources Would Be Established that Achieve the Touted Usage Efficiencies While Preserving Competition.

Aside from the anti-competitive issues discussed above, at the core of a fee-based allocation system is the issue of determining the price to charge for numbering resources. The Commission believes that efficient utilization will be better achieved if carriers pay a fee for numbering resources that is closely related to the supply and demand for numbers in a specific market.[14] Allegiance questions how these prices would be determined, and whether it is possible to strike the appropriate balance among competing policy objectives.

If prices are set too high, then they become a barrier to market entry and stifle competition. An auction would most certainly stifle competition because it would establish a price point that is too high for everyone except the winner. Auctions also set prices prospectively, and would fail to account for incumbents' embedded base of numbering resources. Conversely, if prices are set too low, then there is no added incentive to use the resources efficiently.

In a market-based system, price will be based on supply and demand. Allegiance observes that there are numerous administrative issues associated with distributing numbering resources under a fee-based scheme that will impact price and potentially distort operation of the market. Would the Commission, or other regulatory body, hold an auction of all numbers at the implementation of a new NPA, or would auctions of limited quantities be held periodically? Auctioning off all available numbers would needlessly deplete supply, but auctioning only a portion of available numbers creates

14 *Second FNPRM* ¶ 162.

artificial demand.[15] What would happen to unsold numbers? Would they remain available for new entrants as they entered the market, or would later entrants need to wait for a subsequent auction to be conducted to gain access? How frequently would auctions be held? Would auctions be held in individual NPAs to realize truly market-specific prices, as desired by the Commission? If so, auctions so widespread would be extremely difficult and time-consuming to administer. All of these issues have the potential to greatly impact and manipulate the price for these resources, giving further credence to Allegiance's position that a fee-based allocation system is simply not worth the substantial risks.

D. The Regulation and Oversight Needed to Ensure Competitively Neutral Function of a Market-Based System Will Severely Undercut Its Effectiveness.

Allegiance is concerned that in order to implement any market-based allocation system on a competitively-neutral basis, the level of regulation required to maintain competitive neutrality would impede natural operation of the market, with potentially severe consequences. The California energy crisis is a recent example of how mixing free-market and regulatory processes can go awry, with disastrous results. In California, wholesale electricity prices are a function of market forces, while retail rates remain essentially fixed by regulation. Thus, as wholesale electricity prices increased, natural market-based corrective behavior would have dictated a corresponding rise in retail rates *but regulation precluded this reaction.* Power companies were forced to bear the burden of the shortfall, driving them to the verge of bankruptcy.

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15 *See* Comments of Voicestream Wireless Corp., CC Docket No. 99-200, filed May 19, 2000, at p. 17.

While the California electricity example is extreme, there are some important parallels to be drawn to the Commission's fee-based numbering proposal. Just as regulation protected California ratepayers from the risks of a market-based system, regulation is necessary to protect new entrants from the inherent biases against smaller entities. Just as in California, this regulation will interfere with the natural behavior of a free market. As with electricity, there is no substitute for numbers. Thus, if the market-based mechanism goes awry or functions in a way that has not been foreseen, there is no alternative until the situation is corrected. While power companies have borne the brunt of the California energy crisis to date, here, competition is most likely to suffer. Given these risks, Allegiance again urges the Commission to abandon its fee-based proposal in favor of more robust alternatives.

E. The Commission's Proposal To Create A Secondary Market For Numbering Resources Is Also Ill-Advised.

The Commission's proposal to create a secondary market for numbering resources is plagued by many of the same flaws as its primary market proposal. The *Second FNPRM* states the Commission's belief that "where a competitively neutral primary market for numbers exists, permitting a secondary market to develop would further increase the efficiency with which numbers are used by creating economic incentives for carriers to find ways to transfer unused numbering resources in a given geographic area to others with a greater need for those resources."[16] As a threshold matter, the Commission conditions initiation of a secondary market on the existence of a competitively neutral primary market. As discussed in Section II.B, because market-based systems inherently favor large incumbent carriers, it would be difficult, if not

[16] *Second FNPRM* ¶ 164.

impossible, to achieve true competitive neutrality. Even if this condition were satisfied, creating a secondary market for numbers would encourage hoarding at the primary market level because carriers could sell excess numbers for a profit on the secondary market. As the Commission found with respect to toll-free numbers, charging for numbers "would not sufficiently deter hoarding ... because some subscribers have the means to and will pay high fees if it is profitable to hoard and sell the numbers."[17] The Commission has also acknowledged that "[r]emoving the ability to sell a toll-free number eliminates the incentive to hoard."[18] Given that the supply of numbers is both scarce and finite, prices on the secondary market should be higher than the primary market, encouraging this anti-competitive conduct.

Moreover, the level of bureaucracy needed to administer a secondary market would be enormous and could hardly be termed "efficient." As the Commission acknowledges, the limitations of the rate center structure necessitate each rate center to be its own market.[19] This means that the number of individual "markets" would be in the thousands. Reporting requirements and/or establishment of a clearinghouse, though arguably necessary to ensure that secondary market transactions are "open, competitive, and effective,"[20] would add to the administrative quagmire.

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[17] *See, e.g., In the Matter of Toll Free Access Service Access Codes*, 12 FCC Rcd 11162, 11190 (1997).

[18] *Id.* at p. 11189 n.155.

[19] *Second FNPRM* ¶ 172.

[20] *Second FNPRM* ¶ 176.

Finally, in addition to the Commission's lack of statutory authority to charge for numbers addressed in Section I, there are several rules and policies that prohibit trafficking in numbers.[21] Prior to allowing for the creation of secondary markets for numbers, the Commission would not only need statutory authority to charge for numbering resources, but would also need to modify these rules and policies prohibiting trafficking.

In contrast to the substantial drawbacks associated with creating a secondary market for scarce numbering resources, the Commission already has a procedure in place that serves a function equivalent to the secondary market without these potential harms – reclamation. Consistent with its stated goals, the Commission's reclamation procedures help assure that numbering resources are redistributed to carriers that *need* them, as opposed to carriers with the most money.

F. The Commission Should Maintain Its Need-Based Allocation Scheme and Focus Its Efforts on Addressing the Root Causes of Number Exhaust.

Notwithstanding these administrative issues, the Commission's proposed fee-based allocation system also leaves current inefficiencies in the number allocation structure to continue unchecked. As Allegiance has emphasized in this proceeding, the root causes of number exhaust are (1) the allocation of numbers in blocks of 10,000; and (2) the need to obtain distinct NXX's to serve individual rate centers. Charging for numbering resources does nothing to remedy these inefficiencies, and there is no reason to believe that it will increase efficient number usage in any tangible way. In addition to being of unknown and unproven effectiveness, a fee-based system raises serious competitive concerns and complex administrative issues, undercutting the Commission's

[21] *See, e.g.*, INC Central Office Code Guidelines, Section 2.1.

claim that it is the "most pro-competitive, least intrusive way of ensuring that numbering resources are efficiently allocated."[22] In light of these drawbacks, Allegiance urges the Commission to continue to refine its need-based allocation scheme and to address the root causes of number exhaust. These measures have the greatest likelihood of increasing the efficiency of number allocation by ensuring that carriers request only the numbers that they need and use the numbers that they have. Most importantly, so long as numbers remain available to carriers that need them, need-based allocation measures will neither discriminate against smaller carriers nor jeopardize the development of competition.

III. RATE CENTER CONSOLIDATION IS A VITAL YET UNDERUSED CONSERVATION TOOL THAT SHOULD BE MORE WIDELY IMPLEMENTED.

Throughout this proceeding, Allegiance has emphasized the importance of RCC. Allegiance is pleased that the Commission is expressing greater support and encouraging wider implementation of this vital yet underused number conservation tool.

As the Commission notes, the rate center structure is a vestige of the 1940s whose reevaluation is long overdue, particularly in light of the current numbering shortage. The rate center structure greatly and unnecessarily accelerates number exhaust. For example, eastern Massachusetts has 202 rate centers, in several instances each only covering a single town. In order to initiate service in the Boston area, competitive local exchange carriers ("CLECs") must obtain dozens of NXX codes. In order to compete in the 202 rate centers that comprise the eastern Massachusetts LATA, CLECs are required to obtain a separate NXX code for service to each rate center. The rate of number exhaust

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22 *In the Matter of Number Resource Optimization*, 15 FCC Rcd 7574, 7686 (2000).

in this region is staggering, with the 978 and 781 area codes implemented May 1, 1998 declared to be in jeopardy just 12 short days after their introduction.[23]

Allegiance believes that in response to previous Commission orders granting states delegated authority to implement thousands-block number pooling, state commissions have focused on such pooling as a primary means of number conservation. Allegiance hopes that the *Second FNPRM* will encourage more states to investigate RCC, particularly since, unlike thousands-block number pooling, it is not dependent on local number portability and can therefore be more broadly implemented. RCC has been authorized and successfully implemented in the San Antonio metropolitan area[24] and will be implemented later this year in the Atlanta metropolitan area.[25] Allegiance agrees with the Commission's observation that "metropolitan regions are optimal candidates for [RCC] because they tend to involve more [CLECs] and a higher demand for number resources."[26] Further, metropolitan areas are also more likely to have "contiguous calling areas with identical or substantially similar rating schemes,"[27] minimizing any potential impact on toll revenues. While there are numerous benefits associated with RCC,

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[23] *Petition of Lockheed Martin IMS, the North American Numbering Plan Administrator, for Area Code Relief for the 508, 617, 781 and 978 Area Codes*, DTE 99-11, 99-99, Order, April 25, 2000.

[24] *Number Resource Optimization Working Group Report to North American Numbering Council Report*, Oct. 21, 1998, Sec. 10.5.1.

[25] *In re Consideration of the Industry Rate Center Consolidation Plan for the Atlanta Metropolitan Calling Area*, Georgia Public Service Comm'n Docket No. 7423-U, Order, Aug. 1, 2000. Under the plan, 27 rate centers will be consolidated into 3 rate centers, reducing the overall number of rate centers in the Atlanta area from 59 to 37.

[26] *Second FNPRM* ¶ 148.

[27] *Second FNPRM* ¶ 147.

Allegiance recognizes that RCC must be carefully implemented in order to avoid creating customer confusion or difficulties for carriers.

Allegiance will continue to encourage states to engage in RCC and is optimistic that the Commission's latest strong endorsement of this conservation measure will promote greater implementation. RCC remedies a main cause of premature number exhaust and, where implemented, will significantly extend the life of scarce numbering resources.

IV. CONCLUSION

For the foregoing reasons, Allegiance urges the Commission to abandon its consideration of a price-based number allocation scheme. Not only does the Commission lack the statutory authority to charge for numbers, but also from a policy perspective, charging for numbering resources raises serious competitive issues while allowing the current inefficiencies to continue unchecked. Amidst these significant drawbacks, nothing in the record suggests that a fee-based scheme would meaningfully increase or improve the efficiency of number allocation. Auctions reward the carriers who are willing and able to pay the highest price for numbering resources, not the carriers who actually use numbers most efficiently. Allegiance believes the Commission should direct its efforts to refining the need-based allocation system and remedying the root causes of number exhaust through tools such as RCC. These measures are much more likely to encourage and promote efficient use of scarce numbering resources, to extend the life of the NANP, and to facilitate, rather than jeopardize, the development of a truly competitive telecommunications marketplace.

Respectfully submitted,

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Dated: February 14, 2001

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